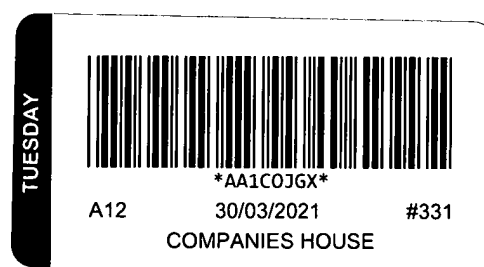


West Bromwich Albion Holdings Limited

Annual Report and Financial Statements  
for the 13-month period ended 31 July 2020

Registered number: 08528749



## **West Bromwich Albion Holdings Limited**

### **Director and advisers**

#### **Director**

P Y Li

#### **Registered number**

08528749

#### **Registered office**

The Hawthorns  
West Bromwich  
West Midlands  
B71 4LF

#### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
One Chamberlain Square  
Birmingham  
B3 3AX

## **Group Strategic report for the 13-month period ended 31 July 2020**

### **Introduction**

West Bromwich Albion Holdings Limited ("the Group", "the Club") acts as the holding company for a group of companies whose main activity is that of a Professional Football Club.

### **Business review**

The 2019/20 season saw West Bromwich Albion Football Club compete in the EFL Championship for a second successive campaign following its 2017/18 relegation from the Premier League.

In its first season in the Championship the Club retained many of its players in an effort to secure immediate promotion back to the top-flight, but after that approach ended in play-off semi-final defeat – and with parachute payments reduced for its second season away from the Premier League – the Club decided to sell senior players Salomon Rondon, Jay Rodriguez and Craig Dawson in order to fund a strategy to lower the average age of its squad by recruiting younger players. The Club hoped this strategy would provide the Club with a greater return on its investment with players remaining at The Hawthorns for an extended period or, if the appropriate offer was achieved, by returning a profit on any players the Club decided to sell, in addition to being competitive in the Championship Season.

The Club appointed Slaven Bilić as its Head Coach in June 2019 before securing the permanent transfers of Darnell Furlong, Semi Ajayi, Romaine Sawyers, Kenneth Zohore and Charlie Austin. The squad was further bolstered by the loan signings of Grady Diangana, Matheus Pereira and Filip Krovinic.

The 2019/20 season started brightly and by Christmas the club was on course to achieve its goal of securing promotion back to the Premier League having climbed to the top of the Championship league table with 50 points from 23 games, accumulating an 11-point advantage over third-placed Sheffield Wednesday in the process.

A post-Christmas dip in form resulted in a three-point return from the Club's next seven fixtures. The Club's advantage over fellow promotion chasers had narrowed but an excellent run of five wins from the next six games saw West Bromwich Albion again top the table at the end of February, with 69 points from 36 fixtures.

Just one more game was played in March – a goalless draw at Swansea City – before the COVID-19 pandemic, and a national lockdown, resulted in the suspension of professional football. The Club and its official charity partner, The Albion Foundation, immediately began working to assist the local community in the battle against the virus. The Hawthorns soon provided Sandwell and West Birmingham NHS Trust with a safe new home for its antenatal and postnatal departments, facilitating appointments for new-born babies and their mothers. Meanwhile, The Albion Foundation began its Hawthorns Hot Meals programme, delivering nutritious food, financed by the football club, to vulnerable families across the Sandwell Metropolitan Borough – a service which remains in place at the start of 2021.

The players were provided with the support they required to maintain their fitness levels from home, and in May 2020 a deadline was set to begin playing again by the end of June 2020, with the season to be extended to the end of July in order to complete the full fixture list behind closed doors. The Period End of the Club has been temporarily changed to reflect this.

The season restarted on 20 June 2020 with new protocols and a regimented testing programme in place to prevent the contagion of the virus. The Club secured automatic promotion to the Premier League by just two points, drawing 2-2 with Queens Park Rangers at The Hawthorns on the final day of the season to stave off third-placed Brentford, who had mounted an ascent of the table with an incredible run of form following the restart.

While the Club has historically maintained a solid financial position, retaining decent headroom in its facilities, the pandemic and the subsequent losses in revenues saw that erode away. Promotion to the Premier League, and the turnover this secured, allowed the Club to begin resetting the position of security that had been so quickly lost, while also attempting to build a competitive playing squad for the new season.

## **Group Strategic report for the 13-month period ended 31 July 2020**

### **Business review (continued)**

Financially the Group has made a loss before tax for the period of £23.8m (year ended 30 June 2019: Loss of £7.0m). The majority of this loss being due to Promotion bonuses and bottom-line losses due to COVID-19.

With this being the second year since relegation from the Premier League, media related activities income fell further from £52.8m to £40.5m, a reduction of 23% which reflects the fall in parachute payments together with a £2.1m rebate sought by Broadcasters for football without fans. A further rebate is also being levied as a 'penalty' imposed on promoted Clubs, whereby the Club will cover a further £7m of losses of those Clubs in the Premier League in the 2020 season. This will be taken as a reduction of the Clubs 2021 Premier League Broadcasting Revenue.

Gate receipts fell by 34% from £7.3m to £4.8m as a result of football returning with no fans, while other commercial income fell from £7.8m to £5.6m as the commercial realities of not being in the Premier League continued to take hold.

Wages and salaries increased to £66.9m (year ended 30 June 2019: £46.8m), with the increase due to the payment of Promotion Bonuses, together with an extra month's player wage and loan costs associated with the elongated season.

The Group has seen an overall net increase in cash of £13m (As at 30 June 2019: net decrease in cash of £7.9m), owing in the main to the influx of the first instalment of the Club's final year parachute payments in July 2020 as normal, while the remaining games of the season were completed. Operating cash flow moved back to a positive position of £1.6m generated in the period (for the year ended 30 June 2019: £4.6m used in the period) despite the pandemic issues as the Club continued to re-base itself for further Championship football if Promotion was not achieved.

### **Statement by the Director on performance of their statutory duties in accordance with s172(1) Companies Act 2006**

The director of West Bromwich Albion Holdings Limited believes that he has acted in the best interests of the company in the decisions taken in the period to 31<sup>st</sup> July 2020. This is achieved through regular contact (verbal and written), where relevant, with the Senior Management Team of the Club and /or external advisors (where necessary).

#### The likely consequences of any decision in the long term

All decisions are designed to promote success on the pitch, whether this be promotion from the English Football League (EFL) to the English Premier League (EPL), which the club achieved in July 2020, or the work undertaken to build a playing squad capable of retaining its Premier League status. The relative short-term nature of these goals is tempered by the company's commitment to remain financially stable. No decision will be taken where it is thought that it may jeopardise the long-term future of the company and its ability to function efficiently and effectively.

#### The interests of the company's employees

The company's employees are fundamental to the successful operations of the company, regardless of their role or where they are based. The Health and Safety of the company's employees is our number one priority and the last 13 months has seen the company concentrate on ensuring the mental well-being of all employees. As well as now having fully trained mental health first aiders, the company has provided all employees with 24/7 access to relevant information and support lines. This has proved to be invaluable during the latter part of the reporting period as the COVID-19 pandemic, and the subsequent lockdown, took effect throughout the country.

The Club is registered with Able Futures which is a United Kingdom-based specialist network setup by the Department for Work and Pensions to provide the Access to Work Mental Health Support Service.

The Club has also recently become a launch signatory to the Football Association's Football Leadership Diversity Code.

## **Group Strategic report for the 13-month period ended 31 July 2020**

**Statement by the Director on performance of their statutory duties in accordance with s172(1) Companies Act 2006 (continued)**

### The need to foster the company's relationships with suppliers, customers, and others

As a company we work closely with the business community across the local area in terms of using services, procuring goods, and providing conferencing facilities for them to use. Where possible, the company aims to support the local economy and recognises the need to be socially responsible. The company has good working relationships with key stakeholders, particularly our principal club sponsors, as well as the English Premier League, the English Football League and the Football Association.

The Club's supporters are also of particular importance. Unfortunately, the latter part of the 2019/20 Season was played behind closed doors due to the COVID-19 pandemic, meaning fans were unable to attend matches live. However, through the EFL's iFollow platform, all supporters were able to access live streams from each game if they so wished. The company ensures all facilities are maintained to a high standard and regularly engages in dialogue with supporters. This relationship is predominantly maintained through the Albion Assembly which met bi-monthly until March 2020 when lockdown meant in-person meetings were no longer possible.

### The impact of the company's operations on the community and the environment

The company supports and works alongside The Albion Foundation, its charitable arm and official charity partner, to provide a number of initiatives to the local community. The Albion Foundation utilises the company's access to Premier League funds, the company's brand, and the power of football to deliver excellence in Wellbeing, Behaviour Change and Active Lifestyles to the local community. The company currently has three senior members of staff that serve as trustees to The Albion Foundation.

The company takes its environmental responsibilities very seriously and has recently developed several policies, along with a single use working group, to minimise its impact on the environment. It has recently embraced both the ESOS and SECR processes as it looks to reduce energy usage across all operations.

### The desirability of the company maintaining a reputation for high standards of business conduct

The very nature of the company's business means that it is high profile and generates significant interest, locally, nationally, and internationally. This makes it extremely important that the company maintains and conducts all its business to a very high standard. This is supported by a number of policies and frameworks the Club has implemented.

### The need to act fairly as between members of the Group

All decisions are made with the benefit of the company at the fore and therefore they are for the benefit of all members of the Group.

### **Principal risks and uncertainties**

The director is aware of the risks which affect the company. It has analysed previous seasons spent in the Premier League and Championship and has tried to implement lessons learnt from these experiences. The long-term policy of the Club is to maintain itself in the Premier League and improve its infrastructure year on year.

Credit and liquidity risk are the main financial risks faced by the company. Credit risk is mitigated by implementing effective credit control procedures on trade and other debtors. Liquidity Risk is mitigated by running detailed cash flow forecasts and budgets, enabling Management to make effective decisions in a timely manner.

The director also actively monitors and considers the role of the Financial Fair Play ('FFP') regulations in how it operates. These regulations require that the Director considers all aspects of how any player transfer or wage agreements entered into are beneficial to the Club in the long-term as well as the short-term.

## **Group Strategic report for the 13-month period ended 31 July 2020**

### **Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)**

Below is our streamlined energy and carbon reporting data for the current reporting year ended 30 June 2020:

Total energy use covering electricity, gas, other fuels and transport	4,689,368	kWh
Total emissions generated through combustion of gas	302.47	tCO <sub>2</sub> e
Total emissions generated through use of purchased electricity	603.13	tCO <sub>2</sub> e
Total emissions generated through use of other fuels	107.79	tCO <sub>2</sub> e
Total emissions generated through business travel	67.55	tCO <sub>2</sub> e
Total gross emissions	1,080.94	tCO <sub>2</sub> e
Intensity ratio (total gross emissions) by square foot Club premises	8.34	kgCO <sub>2</sub> e

The Club has implemented various policies during and after the reporting period with the purpose of increasing the energy efficiency of the Club. This includes upgrading lighting to LED, fitting light sensors and installing time-controlled switches to hot water boiler systems.

The Club is committed to responsible energy management and will continue to practice energy efficiency. The Club recognises that climate change is a serious environmental challenge currently threatening the global community and we understand we all have a role to play in reducing greenhouse gas emissions.

The above has been compiled using ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version 6, published by the Environment Agency 28/10/2019) used in conjunction with Government GHG reporting conversion factors.

**West Bromwich Albion Holdings Limited**

**Group Strategic report  
for the 13-month period ended 31 July 2020**

**Key performance indicators**

	Period ended 31 July 2020	Year ended 30 June 2019	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2016
League	Championship	Championship	Premier League	Premier League	Premier League
Turnover	£53.7m	£70.8m	£124.8m	£137.9m	£98.3m
Operating (loss)/profit before player trading	(£27.2m)	£6.2m	£12.0m	£43.7m	£11.2m
(Loss)/profit before taxation	(£23.8m)	(£7.0m)	(£7.5m)	£39.7m	£1.0m
League position	2nd	4th	20th	10th	14th
Points	83	80	31	45	43
Average attendance	24,100	24,100	24,500	23,900	24,600
Season ticket holders	17,650	17,750	17,350	16,750	17,925

\*This is the average attendance for games up to and including Wigan on 29 February 2020.

This report was approved and signed by the Director on 19 February 2021.

P Y Li  
Director



## **Group Director's report for the 13-month period ended 31 July 2020**

The director presents his report and the audited consolidated financial statements for the 13-month period ended 31 July 2020.

### **Future developments**

On 22 July 2020, the Club gained promotion back to the Premier League and immediately began preparing for the formidable challenges that lay ahead. The Club requirement of remaining financially self-sufficient continues, and therefore, the Club had to contend with a much-reduced pot of funds - owing to Promotion Bonuses, a decrease in regular Premier League revenues, an uplift in player salaries, and a loss of earnings due to the pandemic - for its first foray back in the Premier League.

Transfer targets were identified and, despite the restrictions identified above, the Club broke its Summer Transfer Window net spend record, bringing in players requested by the First Team Management Structure at the time to an initial value of £47.4m. Unfortunately, with just one win in 17 league matches, the Club felt a change was necessary in order to give the club its best possible chance of achieving Premier League survival. On 16 December 2020, Albion appointed experienced Head Coach Sam Allardyce who has a proven track record of improving results at struggling teams.

### **Results and dividends**

The loss for the financial period amounted to £21.1m (year ended 30 June 2019: loss of £6.0m).

No dividends were paid or are proposed for the period ended 31 July 2020 (year ended 30 June 2019 - £Nil).

### **Directors**

The director who served during the period was:

P Y Li

### **Director's responsibilities statement**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006



## **Group Director's report for the 13-month period ended 31 July 2020**

### **Going concern**

The director acknowledges that the pressure on the financial operations of a Football Club are complex and far-ranging. In order to mitigate the risks the Club operates stringent budgeting and forecasting procedures, including profit and loss, balance sheet and cash flow forecasts, which are updated regularly and based on prudent assumptions. These forecasts are primarily focused on the next two seasons and operating a 'breakeven' position on the cash flow over that period. In respect of a longer-term vision, five-year forecasts are also prepared along the same basis.

Even with these stringent processes in place the COVID-19 pandemic has placed additional pressures on the club's finances. In preparing these budgets and forecasts a prudent base position has been adopted which has then been further stress tested by considering plausible but severe down sides such as further income depression due to the impacts of COVID-19 in relation to reduced crowds, hospitality and concourse income together with impaired conference and events income as well as any resulting limitation on transfer market activity. In addition, the Club has identified a number of actions it could take to mitigate any scenarios that result in a further deflated position than these such as sales of assets, advancing future income and deferring future outgoings amongst others.

The current Club forecasts give no indication that an overdraft facility or other funding arrangement is required at any stage over the 12 months from the date of approval of these financial statements in order for the Club to meet its liabilities as they fall due. However, where the introduction of such funding is to the benefit of the Club, it will be considered on its merits.

Based on the above the director therefore has a reasonable expectation that the necessary cashflows will be available when required and the financial statements have therefore been prepared on a going concern basis.

### **Employees**

The Group continues its policy of keeping its employees informed on a regular basis of matters concerning them as employees and on financial and economic factors affecting the performance of the Group.

### **Disabled persons**

The Group recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to applications for employment made by such persons, having regard to their particular aptitudes and abilities. Any employee who becomes disabled is encouraged to remain in the Group's employment, in the same job if this is practicable. If a change of job is necessary, such an employee is considered for any suitable alternative work which is available and any necessary training is arranged.

Disabled employees are treated equally with all employees in respect of their eligibility for training, career development and promotion.

### **Post balance sheet events**

Since 31 July 2020 the Club has, in addition to the M Pereira deal of £8.7m completed at the end of June 2020, purchased and sold player registrations at a total initial cost of £38.7m (for the period ended 30 June 2019: £17.9m) and for proceeds of £3.3m (for the period ended 30 June 2019: £35.6m).

### **Disclosure of information to auditors**

In the case of each director in office at the date the Director's Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

**West Bromwich Albion Holdings Limited**

**Group Director's report  
for the 13-month period ended 31 July 2020**

**Auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved and signed by the director on 19 February 2021.

**P Y LI**  
Director

A handwritten signature in black ink, appearing to be 'P Y LI', written over a light blue grid background.

## ***Independent auditors' report to the members of West Bromwich Albion Holdings Limited***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, West Bromwich Albion Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 July 2020 and of the group's loss and cash flows for the 13 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 July 2020; the Consolidated Profit and Loss account, the Consolidated and Company Statement of changes in equity, and the Consolidated Statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## ***Independent auditors' report to the members of West Bromwich Albion Holdings Limited***

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 July 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## ***Independent auditors' report to the members of West Bromwich Albion Holdings Limited***

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### **Other required reporting**

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#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Neil Philpott (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
24 February 2021

**West Bromwich Albion Holdings Limited**

**Consolidated Profit and Loss account  
for the 13-month period ended 31 July 2020**

	Note	Operations excluding player amortisation and trading	Player amortisation and trading	Period ended 31 July 2020 Total	Year ended 30 June 2019 Total
		£'000	£'000	£'000	£'000
Turnover	4	53,745	-	53,745	70,823
Operating Expenses		(80,927)	(26,140)	(107,067)	(87,896)
Profit on disposal of players registrations		-	29,416	29,416	10,067
<b>Operating (loss)/profit</b>	5	<b>(27,182)</b>	<b>3,276</b>	<b>(23,906)</b>	<b>(7,006)</b>
Interest receivable and similar income	9			91	42
<b>Loss on ordinary activities before taxation</b>				<b>(23,815)</b>	<b>(6,964)</b>
Tax on loss	10			2,751	934
<b>Loss for the financial period/year</b>				<b>(21,064)</b>	<b>(6,030)</b>
<b>Loss for the financial period/year attributable to:</b>					
Non-controlling interest				(2,547)	(706)
Owners of the company				<u>(18,517)</u>	<u>(5,324)</u>
				<u><b>(21,064)</b></u>	<u><b>(6,030)</b></u>

The results derive wholly from continuing operations of the Group.

There are no recognised gains and losses for the financial period/year other than those included above. Accordingly, no separate statement of comprehensive income is presented.

Player trading includes fees received for players out on loan, as well as amortisation, impairment and profit on disposal of players' registrations.

The Company has taken advantage of s408 of the Companies Act 2006 not to publish its own Profit and loss account.

**West Bromwich Albion Holdings Limited**  
**Registered number: 08528749**

**Consolidated Balance Sheet**  
**as at 31 July 2020**

	Note	31 July 2020 £000	30 June 2019 £000
<b>Fixed assets</b>			
Intangible Assets	11	36,118	35,582
Negative goodwill	11	(2,692)	(2,758)
Tangible assets	12	26,700	27,444
Investment property	13	1,532	1,532
		<u>61,658</u>	<u>61,800</u>
<b>Current assets</b>			
Stocks	15	738	576
Debtors: amounts falling due after more than one year	16	615	5,392
Debtors: amounts falling due within one year	16	9,196	22,161
Cash at bank and in hand		14,297	1,321
		<u>24,846</u>	<u>29,450</u>
Creditors: amounts falling due within one year	17	(50,486)	(28,134)
<b>Net current (liabilities)/assets</b>		<u>(25,640)</u>	<u>1,316</u>
<b>Total assets less current liabilities</b>		<u>36,018</u>	<u>63,116</u>
Creditors: amounts falling due after more than one year	18	(1,669)	(4,581)
<b>Provisions for liabilities</b>			
Deferred taxation	20	-	(3,122)
<b>Net assets</b>		<u>34,349</u>	<u>55,413</u>
<b>Capital and reserves</b>			
Called up share capital	21	1	1
Share premium account	22	24,098	24,098
Revaluation reserve	22	(435)	(435)
Profit and loss account	22	9,589	28,106
Total equity attributable to the owners of the parent company		<u>33,253</u>	<u>51,770</u>
<b>Non-controlling interest</b>		<u>1,096</u>	<u>3,643</u>
<b>Total equity</b>		<u>34,349</u>	<u>55,413</u>

The financial statements on pages 13 to 43 were approved and signed by the director on 19 February 2021.

P Y LI  
Director



The notes on pages 21 to 43 form part of these financial statements.

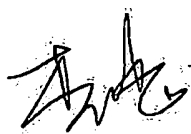
**West Bromwich Albion Holdings Limited**  
**Registered number: 08528749**

**Company Balance Sheet**  
**as at 31 July 2020**

	Note	31 July 2020 £000	30 June 2019 £000
<b>Fixed assets</b>			
Investments	14	27,781	27,781
		<u>27,781</u>	<u>27,781</u>
<b>Current assets</b>			
Cash at bank and in hand		3	3
		<u>3</u>	<u>3</u>
Creditors: amounts falling due within one year	17	(4,682)	(4,455)
		<u>(4,679)</u>	<u>(4,452)</u>
<b>Net current liabilities</b>			
		(4,679)	(4,452)
<b>Total assets less current liabilities</b>		<u>23,102</u>	<u>23,329</u>
<b>Net assets</b>		<u>23,102</u>	<u>23,329</u>
<b>Capital and reserves</b>			
Called up share capital	21	1	1
Share premium account	22	24,098	24,098
Profit and loss account brought forward		(770)	(483)
Loss for the financial period/year		(227)	(287)
		<u>(997)</u>	<u>(770)</u>
<b>Total equity</b>		<u>23,102</u>	<u>23,329</u>

The financial statements on pages 13 to 43 were approved and signed by the director on 19 February 2021.

P Y Li  
Director





**West Bromwich Albion Holdings Limited**

**Consolidated Statement of changes in equity  
for the 13-month period ended 31 July 2020**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Investment property revaluation reserve</b>	<b>Profit and loss account</b>	<b>Equity attributable to owners of parent Company</b>	<b>Equity attributable to non- controlling interests</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 July 2019	1	24,098	(435)	28,106	51,770	3,643	55,413
<b>Comprehensive loss for the financial period</b>							
Loss for the financial period	-	-	-	(18,517)	(18,517)	(2,547)	(21,064)
<b>Total comprehensive loss for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,517)</b>	<b>(18,517)</b>	<b>(2,547)</b>	<b>(21,064)</b>
<b>At 31 July 2020</b>	<b>1</b>	<b>24,098</b>	<b>(435)</b>	<b>9,589</b>	<b>33,253</b>	<b>1,096</b>	<b>34,349</b>

The notes on pages 21 to 43 form part of these financial statements.

**West Bromwich Albion Holdings Limited**

**Consolidated Statement of changes in equity  
for the year ended 30 June 2019**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Investment property revaluation reserve</b>	<b>Profit and loss account</b>	<b>Equity attributable to owners of parent Company</b>	<b>Equity attributable to non- controlling interests</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 July 2018	1	24,098	(397)	33,392	57,094	4,349	61,443
<b>Comprehensive loss for the financial year</b>							
Loss for the financial year	-	-	-	(5,324)	(5,324)	(706)	(6,030)
Transfer on Realisation of Investment Property	-	-	(38)	38	-	-	-
<b>Total comprehensive income for the financial year</b>	<u>1</u>	<u>24,098</u>	<u>(435)</u>	<u>28,106</u>	<u>51,770</u>	<u>3,643</u>	<u>55,413</u>
<b>At 30 June 2019</b>	<u>1</u>	<u>24,098</u>	<u>(435)</u>	<u>28,106</u>	<u>51,770</u>	<u>3,643</u>	<u>55,413</u>

The notes on pages 21 to 43 form part of these financial statements.

**West Bromwich Albion Holdings Limited**

**Company Statement of changes in equity  
for the period ended 31 July 2020**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 July 2019	1	24,098	(770)	23,329
<b>Comprehensive loss for the financial year</b>				
Loss for the financial year	-	-	(227)	(227)
<b>Total comprehensive loss for the financial year</b>	<b>-</b>	<b>-</b>	<b>(227)</b>	<b>(227)</b>
<b>At 1 July 2020</b>	<b>1</b>	<b>24,098</b>	<b>(997)</b>	<b>23,102</b>

The notes on pages 21 to 43 form part of these financial statements.

**West Bromwich Albion Holdings Limited**

**Company Statement of changes in equity  
for the year ended 30 June 2019**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 July 2018	1	24,098	(483)	23,616
<b>Comprehensive loss for the financial year</b>				
Loss for the financial year	-	-	(287)	(287)
<b>Total comprehensive loss for the financial year</b>	-	-	(287)	(287)
<b>At 30 June 2019</b>	<b>1</b>	<b>24,098</b>	<b>(770)</b>	<b>23,329</b>

The notes on pages 21 to 43 form part of these financial statements.

**West Bromwich Albion Holdings Limited**

**Consolidated statement of cash flows  
for the 13-month period ended 31 July 2020**

	<b>Period ended 31 July 2020 £000</b>	<b>Year ended 30 June 2019 £000</b>
<b>Cash flows from operating activities</b>		
Loss for the financial period/year	<b>(21,064)</b>	(6,030)
<b>Adjustments for:</b>		
Amortisation of negative goodwill	<b>(66)</b>	(65)
Depreciation of tangible assets	<b>1,739</b>	1,578
Amortisation of player registrations	<b>26,140</b>	23,290
Amortisation of government grant	<b>(72)</b>	(67)
Loss/(profit) on disposal of tangible assets	<b>3</b>	(54)
Interest received	<b>(91)</b>	(42)
Taxation charge	<b>(2,751)</b>	(934)
(Increase)/decrease in stocks	<b>(162)</b>	160
Decrease/(increase) in debtors	<b>7,279</b>	(4,223)
Increase/(Decrease) in creditors	<b>20,067</b>	(8,183)
Profit on disposal of player registrations	<b>(29,416)</b>	(10,067)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,606</b>	(4,637)
Corporation tax paid	<b>157</b>	(289)
<b>Cash flows from investing activities</b>		
Purchase of player registrations	<b>(34,199)</b>	(21,776)
Sale of player registrations	<b>46,319</b>	18,326
Purchase of tangible fixed assets	<b>(1,008)</b>	(393)
Sale of tangible fixed assets	<b>10</b>	802
Interest received	<b>91</b>	42
<b>Net cash generated from/(used in) investing activities</b>	<b>11,213</b>	(2,999)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12,976</b>	(7,925)
Cash and cash equivalents at beginning of period/year	<b>1,321</b>	9,246
<b>Cash and cash equivalents at the end of period/year</b>	<b>14,297</b>	<b>1,321</b>
<b>Cash and cash equivalents at the end of period/year comprise:</b>		
Cash at bank and in hand	<b>14,297</b>	1,321
	<b>14,297</b>	<b>1,321</b>

## **West Bromwich Albion Holdings Limited**

### **Notes to the financial statements for the 13-month period ended 31 July 2020**

#### **1. General information**

West Bromwich Albion Holdings Limited ("the Group", "the Club") is a private company limited by shares incorporated and domiciled in England and Wales, United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared for the 13-month period ended 31 July 2020 (2019: year ended 30 June 2019).

The company's ultimate parent company is Yunyi Guokai (Shanghai) Sports Development Limited, a company registered in China.

#### **2. Accounting policies**

##### **2.1 Basis of preparation**

The individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), as amended by the requirements of the Triennial review 2017, and the Companies Act 2006.

The financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the recognition of certain assets measured at fair value, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

##### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their appropriate fair values at the acquisition date. The results of acquired operations are included in the Consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**2. Accounting policies (continued)**

**2.3 Going concern**

The director acknowledges that the pressure on the financial operations of a Football Club are complex and far-ranging. In order to mitigate the risks the Club operates stringent budgeting and forecasting procedures, including profit and loss, balance sheet and cash flow forecasts, which are updated regularly and based on prudent assumptions. These forecasts are primarily focused on the next two seasons and operating a 'breakeven' position on the cash flow over that period. In respect of a longer-term vision, five-year forecasts are also prepared along the same basis.

Even with these stringent processes in place the COVID-19 pandemic has placed additional pressures on the club's finances. In preparing these budgets and forecasts a prudent base position has been adopted which has then been further stress tested by considering plausible but severe down sides such as further income depression due to the impacts of COVID-19 in relation to reduced crowds, hospitality and concourse income together with impaired conference and events income as well as any resulting limitation on transfer market activity. In addition, the Club has identified a number of actions it could take to mitigate any scenarios that result in a further deflated position than these such as sales of assets, advancing future income and deferring future outgoings amongst others.

The current Club forecasts give no indication that an overdraft facility or other funding arrangement is required at any stage over the 12 months from the date of approval of these financial statements in order for the Club to meet its liabilities as they fall due. However, where the introduction of such funding is to the benefit of the Club, it will be considered on its merits.

Based on the above the director therefore has a reasonable expectation that the necessary cashflows will be available when required and the financial statements have therefore been prepared on a going concern basis.

**2.4 Turnover**

Turnover represents all income arising from the activities of the Group excluding player transfer fees and Value Added Tax. Included within turnover are Premier League and EFL receipts, net gate receipts, merchandising/retail receipts, sponsorship and advertising receipts, conferencing and events receipts and other income.

Premier League and EFL income is recognised in full in the season to which it relates.

Premier League income rebates have been recognised in full in the season to which they relate.

Season tickets and Seasonal hospitality income is recognised over the season to which they relate and released over the home matches played.

Sponsorship and advertising income is recognised over the duration of the contract. Dependent on the terms of the contract this can be spread on a match to match or straight line basis.

Net gate receipts, including match day hospitality receipts, are recognised on the relevant match date.

Conference and event income is recognised on the date of the event.

Retail income is recognised at the point of sale.

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**2. Accounting policies (continued)**

**2.5 Intangible assets**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortization and accumulated impairment losses. Goodwill is amortised on a straight line bases to the Consolidated profit and loss account over its useful economic life.

Where the fair value of the separable net assets exceeds the fair value of the consideration for an acquired undertaking the difference is treated as negative goodwill and is capitalized and amortised through the Consolidated profit and loss account over the period in which the non-monetary assets acquired are recovered. In respect of fixed assets, this is the period over which they are depreciated, amortised or impaired.

The cost of acquiring player registrations is included in the Balance sheet as intangible assets at cost less amortisation, which is charged over the length of the relevant contract. Contingent consideration is recognised when the defined events are deemed to be probable in the opinion of the director. Provision is made where, in the opinion of the director, an impairment of the carrying value of player registrations has occurred.

**2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold land	- Nil
Freehold property	- 2% to 20% straight line
Fixtures, fittings, plant & equipment	- 2% to 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated profit and loss account.



**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**2. Accounting policies (continued)**

**2.7 Investment property**

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the Consolidated profit and loss account.

**2.8 Investments**

Investments in subsidiaries are measured at cost less provision for impairment.

**2.9 Stocks**

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

At each balance sheet date, stocks are assessed for impairment. Any impairment loss is recognised immediately in the Consolidated profit and loss account.

**2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.12 Financial instruments**

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, amounts owed by or to group undertakings, and investments in non-puttable ordinary shares.

Basic financial instruments (other than those wholly repayable or receivable within one year), are measured at amortised cost, using the effective interest method. The effective interest rate is the rate which exactly discounts the estimated future payments or receipts over the life of the instrument to its carrying amount at initial recognition, re-estimated periodically to reflect changes in the market rate of interest. Basic financial instruments that are payable or receivable within one year and after more than one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated profit and loss account.

**2.13 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**2. Accounting policies (continued)**

**2.14 Foreign currency translation**

**Functional and presentation currency**

The Group's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated profit and loss account within 'other operating income'.

**2.15 Operating leases**

Rentals paid under operating leases are charged to the Consolidated profit and loss account on a straight line basis over the lease term.

**2.16 Pensions**

**Defined contribution pension plan**

The Group operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plans are held separately from the Group in independently administered funds.

**2.17 Provisions for liabilities**

Provisions are recognised where an event has taken place that gives the Group a legal or constructive obligation where settlement by a transfer of economic benefit is probable, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated profit and loss account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**2. Accounting policies (continued)**

**2.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.19 Grants**

Grants in respect of capital expenditure are treated as deferred income and released to the Consolidated profit and loss account over the expected useful lives of the assets concerned.

Grants relating to expenditure arising out of the provisions of the Safety of Sports Grounds Act 1975 are credited to the Consolidated profit and loss in the same period in which the expenditure is charged.

Government grants are recognised in the Profit and loss account on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate.

**2.20 Heritage assets**

The Club holds a collection of football memorabilia which are not recognised in the Balance Sheet as cost information is not readily available and the directors believe that the benefits of obtaining valuations for these items would not justify the cost. The memorabilia have been built up over many years through existing items from the Club, donations and occasional acquisitions. The Club draws upon the collection for display in the stadium. The directors are of the opinion, that should a valuation for the collection be obtained, that the valuation would not be material in the context of these accounts and is incidental to the main activity of the Club. Consequently, further disclosures under FRS102 in respect of Heritage Assets are not deemed necessary.

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In applying the Group accounting policies as described in note 2.1, the Group are required to exercise judgment and make estimates and assumptions concerning the Company's future.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors considered relevant, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the director has made the following key judgments, estimates or assumptions:

**Tangible assets, depreciation and residual values**

The Director has reviewed the estimates for useful lives and associated residual values of all tangible asset classes and have concluded that useful lives and residual values are appropriate.

The useful lives of the assets and residual values are assessed regularly and may vary depending on a number of factors. Residual value and useful life assessments consider issues such as future market conditions, the remaining life of the asset and potential disposal values.

**Intangible assets, amortisation and residual values**

The Director has reviewed the estimates for useful lives and associated residual values of all intangible asset classes and have concluded that asset lives and residual values are appropriate.

The useful lives of the assets and residual values are assessed regularly and may vary depending on a number of factors. In re-assessing useful lives, factors such as player health and fitness are taken into account. Residual value assessments consider issues such as future market conditions, current league status, the remaining life of the asset and the net present value of future cashflows.

**Impairment of non-current assets**

The Company assesses the impairment of tangible and intangible assets subject to amortisation or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results, including relegation from the current league;
- Significant damage or, in the context of players, significant injury;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

## West Bromwich Albion Holdings Limited

### Notes to the financial statements for the 13-month period ended 31 July 2020 (continued)

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	Period ended 31 July 2020 £000	Year ended 30 June 2019 £000
Gate receipts	4,840	7,315
Merchandising	2,757	2,950
Media related activities	40,547	52,787
Other commercial income	5,601	7,771
	<u>53,745</u>	<u>70,823</u>

All turnover arose within the United Kingdom and relates to the principal activity.

The Group only recognises one segment, being football operations, therefore no further segmental information is provided.

#### 5. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	Period ended 31 July 2020 £000	Year ended 30 June 2019 £000
Depreciation of tangible fixed assets	1,739	1,578
Amortisation of player registrations	20,105	22,711
Impairment of intangible assets	6,035	579
Amortisation of negative goodwill	66	65
Loss/(profit) on disposal of fixed assets	3	(54)
Foreign exchange gain	(112)	(140)
Grant income	(545)	(67)
Impairment of stocks	(7)	28
Operating lease rentals – land and property	<u>269</u>	<u>195</u>

**West Bromwich Albion Holdings Limited**

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**6. Auditors' remuneration**

	<b>Period ended 31 July 2020 £000</b>	<b>Year ended 30 June 2019 £000</b>
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	<b>5</b>	<b>3</b>
	<b><u>5</u></b>	<b><u>3</u></b>
<b>Fees payable to the Group's auditors in respect of:</b>		
Audit-related assurance services	<b>12</b>	<b>10</b>
Taxation services	<b>10</b>	<b>9</b>
The auditing of accounts of subsidiary companies of the Group pursuant to legislation	<b>37</b>	<b>39</b>
	<b><u>59</u></b>	<b><u>58</u></b>

## West Bromwich Albion Holdings Limited

### Notes to the financial statements for the 13-month period ended 31 July 2020 (continued)

#### 7. Employees

Staff costs, including director's remuneration, were as follows:

	<b>Period ended 31 July 2020 £000</b>	<b>Year ended 30 June 2019 £000</b>
Wages and salaries	<b>59,711</b>	41,786
Social security costs	<b>7,006</b>	4,849
Other pension costs	<b>171</b>	181
	<b><u>66,888</u></b>	<b><u>46,816</u></b>

The average monthly number of employees, including the director, during the period/year was as follows:

	<b>Period ended 31 July 2020 No.</b>	<b>Year ended 30 June 2019 No.</b>
Players and coaching staff	<b>69</b>	63
Scholars and youth coaching	<b>82</b>	82
Administration and commercial	<b>72</b>	78
Ground Staff	<b>21</b>	22
	<b><u>244</u></b>	<b><u>245</u></b>

In addition to the above the Club also employs an average of 208 (Year ended 30 June 2019: 258) temporary staff on match day.

# West Bromwich Albion Holdings Limited

## Notes to the financial statements for the 13-month period ended 31 July 2020 (continued)

### 8. Director's remuneration

	Period ended 31 July 2020 £000	Year ended 30 June 2019 £000
Director's emoluments	-	-
Company contributions to defined contribution pension schemes	-	-
	<u>-</u>	<u>-</u>

During the period retirement benefits were accruing to nil directors (Year ended 30 June 2019: nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £nil (Year ended 30 June 2019: £nil).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (Year ended 30 June 2019: £nil).

### 9. Interest receivable and similar income

	Period ended 31 July 2020 £000	Year ended 30 June 2019 £000
Other interest receivable	91	42
	<u>91</u>	<u>42</u>



**West Bromwich Albion Holdings Limited**

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**10. Tax on loss**

	Period ended 31 July 2020 £000	Year ended 30 June 2019 £000
<b>Corporation tax</b>		
Current tax on loss for the period/year	-	3
Adjustments in respect of previous periods	371	263
<b>Total current tax</b>	<b>371</b>	<b>266</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	63	34
Roll over relief on player registration timing differences	(436)	(732)
Other player registration timing differences	122	338
Losses carried forward	(2,871)	(840)
<b>Total deferred tax</b>	<b>(3,122)</b>	<b>(1,200)</b>
<b>Taxation on loss on ordinary activities</b>	<b>(2,751)</b>	<b>(934)</b>

## West Bromwich Albion Holdings Limited

### Notes to the financial statements for the 13-month period ended 31 July 2020 (continued)

#### 10. Tax on loss (continued)

##### Factors affecting tax credit for the period/year

The tax assessed for the period is higher than (Year ended 30 June 2019 - higher than) the standard rate of corporation tax in the UK of 19% (Year ended 30 June 2019 - 19%). The differences are explained below:

	Period ended 31 July 2020 £000	Year ended 30 June 2019 £000
Loss on ordinary activities before tax	<u>(23,815)</u>	<u>(6,964)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (Year ended 30 June 2019 - 19%)	(4,525)	(1,323)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	175	55
Fixed asset differences	-	-
Player registration timing differences	933	(394)
Release of negative goodwill	(13)	(12)
Adjustments to tax charge in respect of prior periods	371	36
Changes in provisions leading to an (decrease)/increase in the tax charge	(5)	-
Other differences	313	445
Effect of change in tax rates	-	259
Total tax credit for the period/year	<u>(2,751)</u>	<u>(934)</u>

##### Factors that may affect future tax charges

On 11 March 2020, it was announced by the Chancellor of the Exchequer that plans to enact a decrease in the rate of UK corporation tax from 19% to 17% from 1 April 2020 had been reversed. The rate of 19% has therefore been applied to these financial statements regarding both corporation tax and deferred tax.

**West Bromwich Albion Holdings Limited**

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**11. Intangible assets**

**Group**

	<b>Negative Goodwill £000</b>	<b>Player registrations £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 July 2019	(4,554)	90,496	85,942
Additions	-	33,644	33,644
Disposals	-	(39,126)	(39,126)
At 31 July 2020	<u>(4,554)</u>	<u>85,014</u>	<u>80,460</u>
<b>Accumulated amortisation</b>			
At 1 July 2019	(1,796)	54,914	53,118
Charge for the period	(66)	20,105	20,039
On disposal	-	(32,158)	(32,158)
Impairment	-	6,035	6,035
At 31 July 2020	<u>(1,862)</u>	<u>48,896</u>	<u>47,034</u>
<b>Net book value</b>			
At 31 July 2020	<u>(2,692)</u>	<u>36,118</u>	<u>33,426</u>
At 30 June 2019	<u>(2,758)</u>	<u>35,582</u>	<u>32,824</u>

**Impairment**

In the opinion of the director, an impairment of the carrying value of the player registrations has occurred and the appropriate provision has been made to reflect this. The provision is based on actual proceeds received for player registrations after the reporting date. The provision has been made as the proceeds received are materially below the carrying value of player registrations at the reporting date.

**West Bromwich Albion Holdings Limited**

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**12. Tangible fixed assets**

**Group**

	<b>Freehold property £000</b>	<b>Fixtures, fittings, plant &amp; equipment £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 1 July 2019	40,231	7,497	47,728
Additions	809	199	1,008
Disposals	-	(18)	(18)
At 31 July 2020	<u>41,040</u>	<u>7,678</u>	<u>48,718</u>
<b>Accumulated depreciation</b>			
At 1 July 2019	14,286	5,998	20,284
Charge for the period on owned assets	1,014	725	1,739
Eliminated on disposal	-	(5)	(5)
At 31 July 2020	<u>15,300</u>	<u>6,718</u>	<u>22,018</u>
<b>Net book value</b>			
At 31 July 2020	<u>25,740</u>	<u>960</u>	<u>26,700</u>
At 30 June 2019	<u>25,945</u>	<u>1,499</u>	<u>27,444</u>

**West Bromwich Albion Holdings Limited**

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**13. Investment property**

<b>Group</b>	<b>Freehold investment property £000</b>	<b>Long term leasehold investment property £000</b>	<b>Total £000</b>
<b>Valuation</b>			
At 1 July 2019	500	1,032	1,532
At 31 July 2020	500	1,032	1,532

On 21 June 2017 three of the investment properties held were professionally valued by Chartered Surveyors, on an open market for existing use basis.

The 2020 valuations for the investment properties were made by the director, on an open market value for existing use basis.

## West Bromwich Albion Holdings Limited

### Notes to the financial statements for the 13-month period ended 31 July 2020 (continued)

#### 14. Fixed asset investments

##### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
West Bromwich Albion Group Limited	Ordinary	87.8 %	Intermediate holding company
West Bromwich Albion Football Club Limited	Ordinary	100 %	Professional Football Club
WBA Football Development Limited	Ordinary	100 %	Football development centre
West Bromwich Albion Heritage Limited	Ordinary	100 %	Dormant

The registered office of all subsidiary undertakings is the same as the registered office of the parent company, being: The Hawthorns, West Bromwich, West Midlands, B71 4LF.

##### Company

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 July 2019	27,781
At 31 July 2020	<u>27,781</u>
<b>Net book value</b>	
At 31 July 2020	<u><u>27,781</u></u>
At 30 June 2019	<u><u>27,781</u></u>

**West Bromwich Albion Holdings Limited**

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**15. Stocks**

	<b>Group 31 July 2020 £000</b>	<b>Group 30 June 2019 £000</b>	<b>Company 31 July 2020 £000</b>	<b>Company 30 June 2019 £000</b>
Goods for resale	738	576	-	-
	<b>738</b>	<b>576</b>	<b>-</b>	<b>-</b>

There is no material difference between the replacement cost of stocks and the amounts stated above.

Stocks are stated after provisions for impairment of £32,000 (30 June 2019: £39,000).

**16. Debtors**

	<b>Group 31 July 2020 £000</b>	<b>Group 30 June 2019 £000</b>	<b>Company 31 July 2020 £000</b>	<b>Company 30 June 2019 £000</b>
<b>Amounts falling due after more than one year</b>				
Amounts receivable in respect of player transfers	615	5,392	-	-
	<b>615</b>	<b>5,392</b>	<b>-</b>	<b>-</b>
<b>Amounts falling due within one year</b>				
Trade debtors	42	404	-	-
Amounts receivable in respect of player transfers	7,205	12,363	-	-
Other debtors	147	6,192	-	-
Corporation tax	-	528	-	-
Prepayments and accrued income	1,802	2,674	-	-
	<b>9,196</b>	<b>22,161</b>	<b>-</b>	<b>-</b>

Trade debtors are stated after provisions for impairment of £10,000 (30 June 2019: £105,000).

# West Bromwich Albion Holdings Limited

## Notes to the financial statements for the 13-month period ended 31 July 2020 (continued)

### 17. Creditors: Amounts falling due within one year

	<b>Group 31 July 2020 £000</b>	<b>Group 30 June 2019 £000</b>	<b>Company 31 July 2020 £000</b>	<b>Company 30 June 2019 £000</b>
Trade creditors	601	1,268	-	-
Amounts payable in respect of player transfers	17,510	15,225	-	-
Amounts owed to group undertakings	-	-	3,753	3,753
Deferred grants	67	67	-	-
Corporation tax	-	-	-	-
Taxation and social security	2,417	2,008	-	-
Other creditors	1,075	41	-	-
Accruals and deferred income	28,816	9,525	-	-
Accruals and deferred income - intercompany	-	-	929	702
	<b>50,486</b>	<b>28,134</b>	<b>4,682</b>	<b>4,455</b>

Amounts totalling £929,000 (30 June 2019: £702,000) owed to group undertakings are unsecured, payable on demand and interest free. Amounts totalling £3,753,000 (30 June 2019: £3,753,000) owed to group undertakings are unsecured, have no fixed date for repayment, accrue interest at the Bank of England's Base rate + 5% (totalling £227,000 in the period) and are guaranteed by the ultimate parent company.

### 18. Creditors: Amounts falling due after more than one year

	<b>Group 31 July 2020 £000</b>	<b>Group 30 June 2019 £000</b>	<b>Company 31 July 2020 £000</b>	<b>Company 30 June 2019 £000</b>
Amounts payable in respect of player transfers	480	3,320	-	-
Deferred grants	1,189	1,261	-	-
	<b>1,669</b>	<b>4,581</b>	<b>-</b>	<b>-</b>



**West Bromwich Albion Holdings Limited**

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**19. Financial instruments**

	<b>Group 31 July 2020 £000</b>	<b>Group 30 June 2019 £000</b>	<b>Company 31 July 2020 £000</b>	<b>Company 30 June 2019 £000</b>
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<b>615</b>	5,392	<b>3</b>	3
Financial assets that are measured at undiscounted amount receivable	<b>23,494</b>	28,228	-	-
	<b>24,109</b>	33,620	<b>3</b>	3
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>480</b>	3,320	-	-
Financial liabilities that are measured at undiscounted amount payable	<b>48,002</b>	45,259	<b>4,682</b>	4,455
	<b>48,482</b>	48,579	<b>4,679</b>	4,455

Financial assets measured at undiscounted amount of the cash or other considerations, expected to be paid or received comprise cash at bank, trade debtors, amounts receivable in respect of player transfers within one year, other debtors, accrued income and amounts owed by group undertakings.

Financial assets measured at amortised cost comprise amounts receivable in respect of player transfers falling due after more than one year.

Financial liabilities measured at undiscounted amount payable comprise trade creditors, amounts payable in respect of player transfers within one year, and other creditors and accruals.

Financial liabilities measured at amortised cost comprise amounts payable in respect of player transfers falling due after more than one year.

**West Bromwich Albion Holdings Limited**

**Notes to the financial statements  
for the 13-month period ended 31 July 2020 (continued)**

**20. Deferred taxation**

**Group**

	<b>2020 £000</b>
At beginning of period/year	3,122
Credited to profit or loss	(3,122)
<b>At end of period</b>	<b>-</b>

The provision for deferred taxation is made up as follows:

	<b>Group 31 July 2020 £000</b>	<b>Group 30 June 2019 £000</b>
Accelerated capital allowances	-	22
Player registration timing differences	3,179	3,921
Other timing differences	(3,179)	(821)
	<u>-</u>	<u>3,122</u>

Included within the deferred tax provisions is £87,120 (30 June 2019: £87,120) in respect of deferred tax recognised on the revaluation of the investment property.

**21. Called up share capital**

	<b>31 July 2020 £000</b>	<b>30 June 2019 £000</b>
<b>Shares classified as equity</b>		
<b>Allotted and fully paid</b>		
50,000 (30 June 2019: 50,000) ordinary shares of £0.01	1	1
12,500 (30 June 2019: 12,500) 'A' ordinary shares of £0.01 each	<u>-</u>	<u>-</u>

## West Bromwich Albion Holdings Limited

### Notes to the financial statements for the 13-month period ended 31 July 2020 (continued)

#### 22. Reserves

##### Share premium account

The share premium account reserve contains the premium arising on issue of equity shares, net of issue costs.

##### Revaluation reserve

The revaluation reserve represents amounts revalued in relation to investment property, net of deferred tax recognised on the revaluation.

##### Profit and loss account

The profit and loss account reserve represents all current and prior period cumulative profits and losses. The profit and loss account reserve comprises the profit and loss account and the investment property revaluation reserve. The investment property revaluation reserve is shown separately in order to disclose fair value movements.

#### 23. Contingent liabilities

a) The terms of certain contracts with other football clubs in respect of the transfer of players' registrations include the payment of certain amounts upon fulfilment of a specific number of appearances in the future, or the occurrence of future events, which amounts to £11.1m (30 June 2019: £13.2m).

b) The company is party to a cross guarantee and debenture over its assets to secure balances due to bankers by other group companies.

#### 24. Pension commitments

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds and amounted to £171,009 (30 June 2019: £181,479). Contributions totalling £23,975 (30 June 2019: £37,784) were payable to the funds at the balance sheet date and are included in creditors.

#### 25. Capital commitments

At 31 July 2020, the Group had the following capital commitments:

	As at 31 July 2020 £000	As at 30 June 2019 £000
Contracts for future capital expenditure not provided in the financial statements – Freehold property	783	-
<b>Total</b>	<b>783</b>	<b>-</b>

The above capital commitment relates to the installation of a new bollards system around the stadium to ensure that The Hawthorns is as secure as possible for spectators. At 31 July 2020, £743,000 has been recognised as capital expenditure relating to the project.

## West Bromwich Albion Holdings Limited

### Notes to the financial statements for the 13-month period ended 31 July 2020 (continued)

#### 26. Commitments under operating leases

At 31 July 2020 and 30 June 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2020 £000</b>	<b>Company 2019 £000</b>
Not later than 1 year	<b>131</b>	60	-	-
Later than 1 year and not later than 5 years	<b>184</b>	27	-	-
Later than 5 years	<b>8</b>	-	-	-
	<b>323</b>	87	-	-

#### 27. Related party transactions

The company has taken advantage of FRS102 Section 33.1A exemption from disclosing transactions with group undertakings where it is eligible to do so.

The director considers there to be no key management personnel, other than the directors of West Bromwich Albion Football Club Limited, who have authority and responsibility for planning, directing and controlling the activities of the Group. Remuneration of the key management personnel, including Employers NI, for the period was £584,000 (30 June 2019: £914,000).

#### 28. Post balance sheet events

Since 31 July 2020 the Club has purchased and sold player registrations at a total initial cost of £38.7m (30 June 2019: £17.9m) and for proceeds of £3.3m (30 June 2019: £35.6m).

#### 29. Controlling party

The company's ultimate parent company is Yunyi Guokai (Shanghai) Sports Development Limited, a company registered in China.

The ultimate controlling party of Yunyi Guokai (Shanghai) Sports Development Limited is G Lai.